CASE NO. 21611

APPLICATION OF TAP ROCK RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

EXHIBITS

- A. Application and Proposed Notice
- B. Landman's Affidavit
- C. Geologist's Affidavit
- D. Affidavit of Notice
- E. Affidavit of Publication
- F. Pooling Checklist

STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF TAP ROCK RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 21611

APPLICATION

Tap Rock Resources, LLC applies for an order pooling all uncommitted mineral interests in the Wolfcamp formation in a horizontal spacing unit underlying the W/2 of Section 9 and the W/2 of Section 16, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico, and in support thereof, states:

- 1. Applicant is a working interest owner in the W/2 of Section 9 and the W/2 of Section 16, and has the right to drill a well or wells thereon.
- 2. Applicant proposes to drill the following wells to a depth sufficient to test the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) Pool):
 - (a) the Schlitz Fed. Com. Well No. 202H, with a first take point in the SE/4SW/4 of Section 16 and the last take point in the NE/4NW/4 of Section 9; and
 - (b) the Schlitz Fed. Com. Well No. 211H, with a first take point in the SW/4SW/4 of Section 16 and the last take point in the NW/4NW/4 of Section 9.
- 3. Applicant has in good faith sought to obtain voluntary joinder of all other mineral interest owners in the W/2 of Section 9 and the W/2 of Section 16 for the purposes set forth herein.
- 4. Although applicant attempted to obtain to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their



interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying the W/2 of Section 9 and the W/2 of Section 16, pursuant to NMSA 1978 §70-2-17.

5. The pooling of mineral interests in the Wolfcamp formation underlying the well unit will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all uncommitted mineral interests in Wolfcamp formation underlying the W/2 of Section 9 and the W/2 of Section 16;
- B. Designating Tap Rock Operating, LLC as operator of the wells;
- C. Considering the cost of drilling, completing, and equipping the wells, and allocating the costs thereof among the wells' working interest owners;
- Approving actual operating charges and costs charged for supervision, together
 with a provision adjusting the rates pursuant to the COPAS accounting procedure;
 and
- E. Setting a 200% charge for the risk assumed by applicant in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

jamesbruc@aol.com

Attorney for Tap Rock Resources, LLC

PROPOSED ADVERTISEMENT

Case	No.	

Application of Tap Rock Resources, LLC for a compulsory pooling, Eddy County, New Mexico. Tap Rock Resources, LLC seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2 of Section 9 and the W/2 of Section 16, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to the following wells:

- (a) the Schlitz Fed. Com. Well No. 202H, with a first take point in the SE/4SW/4 of Section 16 and the last take point in the NE/4NW/4 of Section 9; and
- (b) the Schlitz Fed. Com. Well No. 211H, with a first take point in the SW/4SW/4 of Section 16 and the last take point in the NW/4NW/4 of Section 9.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Tap Rock Operating, LLC as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The well unit is located approximately 5 miles southeast of Whites City, New Mexico.

STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES **OIL CONSERVATION DIVISION**

APPLICATION OF TAP ROCK OPERATING, LLC FOR A STANDARD HORIZONTAL SPACING AND PRORATION UNIT AND COMPULSORY POOLING. EDDY COUNTY, NEW MEXICO

Case No. 21611

AFFIDAVIT OF MATTHEW PHILLIPS

- I, being duly sworn on oath, state the following:
- 1. I am over the age of eighteen years and have the capacity to execute this Affidavit, which is based on my personal knowledge.
- 2. I am employed as a Land Manager with Tap Rock Operating, LLC ("Tap Rock"), and I am familiar with the subject application and the lands involved.
- 3. This affidavit is submitted in connection with the filing by Tap Rock of the abovereferenced compulsory pooling applications pursuant to 19.15.4.12.A(1) NMAC.
- 4. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
- 5. The purpose of this application is to force pool working interest owners into the horizontal spacing unit ("HSU") described below, and in the wells to be drilled in the units.
- 6. No opposition is expected. OXY USA, Inc. ("OXY"), OXY Y-1 Company ("OXY Y-1"), EOG Resources, Inc. ("EOG"), Murchison Oil & Gas, Inc. ("Murchison"), MEC Petroleum Corporation ("MEC"), Cimarex Energy Company ("Cimarex") and McCombs Energy, LLC ("McCombs") were contacted regarding the proposed well. Tap Rock continues to work toward a voluntary agreement with all parties.

EXHIBIT

- 7. Tap Rock seeks an order pooling all mineral interests in the Purple Sage; Wolfcamp Pool (Pool Code 98220) underlying the W/2 of Section 9 and W/2 Section 16, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico. The proposed 640-acre spacing unit will be dedicated to the Schlitz Fed Com #202H and Schlitz Fed Com #211H, as the defining wells (the "Wells") for the HSU.
- 8. A proposed C-102 for each well is attached as **Exhibit 1.** The Wells will develop the Purple Sage; Wolfcamp Pool (Pool Code 98220), which is a gas pool.
- 9. The proposed surface hole, bottom hole, and first take point for each well can be found in the attached **Exhibit 1**. The proposed total vertical depth for each well can be found in the attached **Exhibit 5**.
- 10. A tract map containing the composition of the HSU is attached hereto as **Exhibit 2** and shows that the HSU is comprised of four fee tracts, two Federal tracts, and two State tracts. **Exhibit 2A** shows the tracts with mineral interest and **Exhibit 2B** shows the tracts taking contractual interest into consideration.
 - 11. **Exhibit 3** is a Tract List based off of the contractual interest in the HSU.
- 12. The parties being pooled and the nature of their interest are found on the Unit Interest Breakdown on **Exhibit 4** attached hereto. **Exhibit 4** also includes information regarding working interest owners and overriding royalty interest owners.
 - 13. There are no depth severances in the Wolfcamp formation in the proposed HSU.
- 14. I have conducted a diligent search of the public records in Eddy County, New Mexico, where the Wells will be located, and conducted phone directory and computer searches to obtain contact information for parties entitled to notification. I mailed all parties well proposals, including an Authorization for Expenditure ("AFE").

- 15. **Exhibit 5** is a sample proposal letter and the AFE for each of the proposed Wells. The estimated cost of each of the Wells set forth in the AFE is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.
- 16. Tap Rock has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed Wells. **Exhibit 6** is a summary of our communication with each of the parties that we seek to pool.
- 17. Tap Rock requests overhead and administrative rates of \$7000/month for drilling a well and \$700/month for a producing well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. Tap Rock requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- 18. Tap Rock requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.
 - 19. Tap Rock requests that it be designated operator of the Wells.
- 20. The Exhibits to this Affidavit were prepared by me, or compiled from Tap Rock's company business records.
- 21. The granting of this Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.
 - 22. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT

Matthew Phillips

STATE OF COLORADO))ss COUNTY OF JEFFERSON)

Subscribed to and sworn before me this <u>5</u> day of June, 2021.

RACHELLE REESE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20124064461
MY COMMISSION EXPIRES SEPTEMBER 28, 2024

Notary Public

My Commission expires 9/20/2024

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

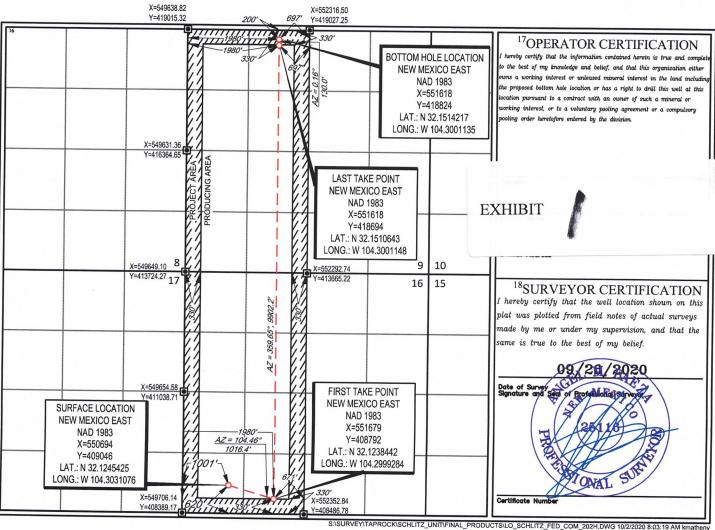
State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

FORM C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

MENDED REPORT

	4, 1,	W	ELL LO	OCATIO	N AND ACR	REAGE DEDIC	CATION PLA	T	
	¹ API Numbe	r		² Pool Code			³ Pool Na		
⁴ Property (⁵ Property N				Well Number 202H
70GRID 1 37204				TAP	ROCK OPE	Name RATING, LLC.			⁹ Elevation 3429
					¹⁰ Surface L	ocation			
UL or lot no.	Section 16	Township 25-S	26-E	-	620'	SOUTH	Feet from the 1001'	East/West line WEST	EDDY County
<u> </u>			¹¹ I	Bottom Ho	le Location If I	Different From Su	rface		
UL or lot no.	Section 9	25-S	Range 26-E	Lot Idn —	Feet from the 200'			East/West line WEST	EDDY County
12Dedicated Acres	¹³ Joint or I	infill 14Cor	nsolidation Cod	de ¹⁵ Ord	er No.				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
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1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
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1220 S. St. Francis Dr., Santa Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

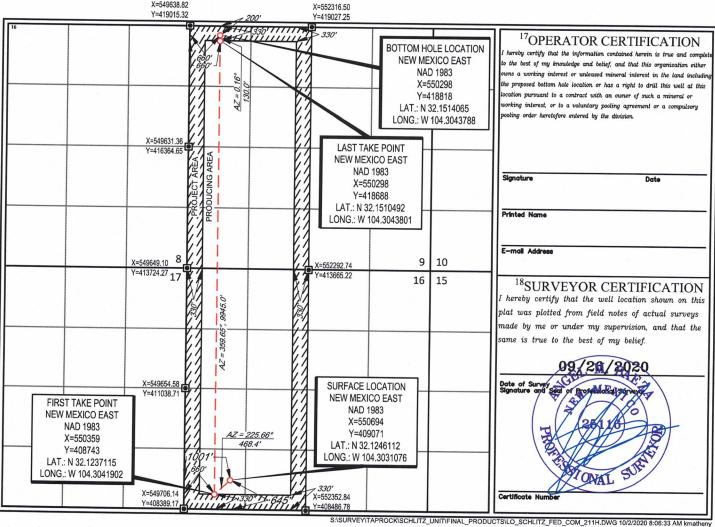
State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

___ AMENDED REPORT

		V	VELL L	OCATIO	ON AND AC	CREAGE DEDIC	ATION PLA	T	
	¹ API Numbe	r		² Pool Code			³ Pool Na		
	⁴ Property Code			⁵ Property Name SCHLITZ FED COM					Vell Number 211H
70GRID 2 37204	1000000			TAP		ERATING, LLC.			⁹ Elevation 3429'
					¹⁰ Surface	Location			
UL or lot no.	Section 16	Township 25-S	26-E	-	645'	SOUTH	Feet from the 1001'	East/West line	EDDY
			117	Bottom Ho	ole Location If	Different From Sur	face		
UL or lot no.	9	Township 25-S	26-E				Feet from the 660'	East/West line	EDDY County
¹² Dedicated Acres	¹³ Joint or I	infill 14Co	onsolidation Cod	de ¹⁵ Ord	ler No.				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Schlitz Fed Com #202H & #211H



Tract Map: Mineral Interest Ownership

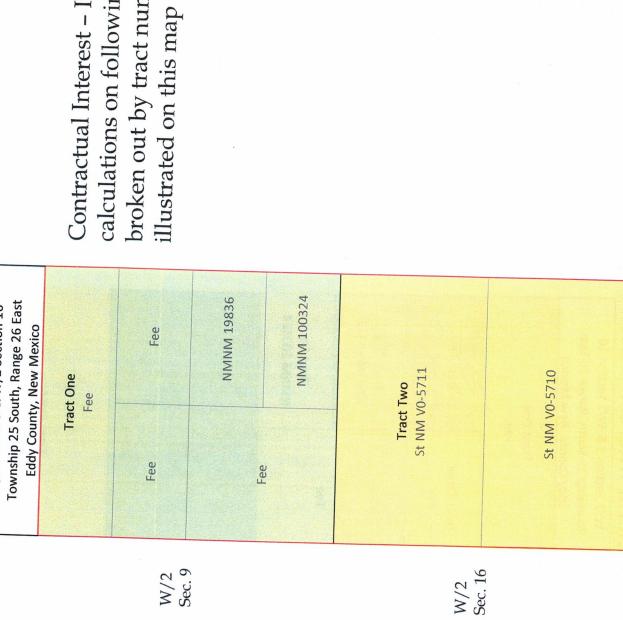
NMNM 100324 NMNM 19836 Township 25 South, Range 26 East W/2 Section 9 & W/2 Section 16 Tract Two Tract Five Tract Six Fee Eddy County, New Mexico St NM V0-5711 St NM V0-5710 Tract Seven Tract One Tract Eight Tract Three Tract Four Fee Sec. 16 W/2 Sec. 9 W/2

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Tract Map: Contractual Interest

calculations on following slides Contractual Interest - Interest broken out by tract numbers W/2 Section 9 & W/2 Section 16 Tract One Fee



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Exhibit 3 Case No. 21611

APP ROCK

T 70 T			
Legal	Mineral Ownership Type	Lease Number	Owners
1 W/2 Section 9, Township 25 South, Range 26 East, Eddy	NW/4, W/25W/4	NMNM 19836	Tap Rock Resources, LLC
County, NM	Fee	NMNM 100324	EOG Resources, Inc.
	NE/4SW/4 - Federal		OXY Y-1 Company
	SF/4SW/4-		OXY USA, Inc.
	Federal		Murchison Oil & Gas, LLC
			MEC Petroleum Corporation
	د		Cimarex Energy Company
2 W/2 Section 16, Township 25 South, Range 26 East,	NW/4 - State	St NM V0-5711	Tap Rock Resources, LLC
Eddy County, NM	SW/4 - State	St NM V0-5710	EOG Resources, Inc.
			OXY Y-1 Company
			OXY USA, Inc.

*final interest subject to division order title verification

Schlitz Fed Com #202H & #211H



No.

EntityInterest TypeApproximate PercentageTap Rock Resources, LLCWorking Interest35.983072%EOG Resources, Inc.Uncommitted Working Interest23.229167%OXY V-1 CompanyUncommitted Working Interest12.850261%OXY USA, Inc.Uncommitted Working Interest1.406250%Murchison Oil & Gas, LLCUncommitted Working Interest0.156250%Cimarex Energy CompanyUncommitted Working Interest0.156250%			
Working Interest Uncommitted Working Interest	Entity	Interest Type	Approximate Percentage
Uncommitted Working Interest	Tap Rock Resources, LLC	Working Interest	35 0820770
Uncommitted Working Interest	EOG Resources, Inc.	Uncommitted Working Interest	33.30301.270
Uncommitted Working Interest Uncommitted Working Interest Uncommitted Working Interest Uncommitted Working Interest	OXY Y-1 Company	Uncommitted Working Interest	3.230167%
Uncommitted Working Interest Uncommitted Working Interest	OXY USA, Inc.	Uncommitted Working Interest	0.701010.0
on Uncommitted Working Interest Uncommitted Working Interest	Murchison Oil & Gas, LLC	Uncommitted Working Interest	1 4053500
Uncommitted Working Interest	MEC Petroleum Corporation	Uncommitted Working Interest	1.406250%
	Cimarex Energy Company	Uncommitted Working Interest	0.136250%

Overriding Royalty Interest

Tap Rock Minerals, LLC Chaparral Energy, LLC OXY USA, Inc. *final interest subject to division order title verification

Schlitz Fed Com #202H & #211H

Unit Interest Breakdown*



September 28, 2020

Via Certified Mail; Return Receipt Requested Address List Attached

EXHIBIT 5

Re:

Schlitz Well Proposals

Section 9 and 16, Township 25 South, Range 26 East

Eddy County, New Mexico (the "Wells")

Dear Working Interest Owner:

Tap Rock Operating, LLC (TRO), as Operator, hereby proposes to drill the following Wells by pad drilling to prevent waste and protect correlative rights. Accordingly, enclosed are AFEs dated September 28, 2020 for the following:

Well Name	Surface Hole Location (SHL)	Bottom Hole Location (BHL)	Formation	TVD (Feet)	MD (Feet)
Schlitz Fed Com #204H	SE/4SE/4 Sec. 16, T25S, R26E	200' FNL & 660' FEL Sec. 9, T25S, R26E	Wolfcamp A	8,570'	18,770
Schlitz Fed Com #213H	SE/4SE/4 Sec. 16, T25S, R26E	200' FNL & 1980' FEL Sec. 9, T25S, R26E	Wolfcamp A	8,745'	18,945'
Schlitz Fed Com #202H	SW/4SW/4 Sec. 16, T25S, R26E	200' FNL & 1980' FWL Sec. 9, T25S, R26E	Wolfcamp A	8,570'	18,770'
Schlitz Fed Com #211H	SW/4SW/4 Sec. 16, T25S, R26E	200' FNL & 660' FWL Sec. 9, T25S, R26E	Wolfcamp A	8,745'	18,945'

The proposed locations and drilling plans described above are subject to change depending on surface or subsurface issues that may be encountered. TRO will advise you of any such modifications. A separate AFE for facility costs is forthcoming. Your election to participate in the drilling and completion of the proposed wells will also be considered an election to participate in the construction of the production facility.

In the event you elect to participate in the proposed Wells, please execute the enclosed AFEs and return to me within 30 days. TRO is proposing to drill these wells under the terms of the AAPL Form 610-1989 Operating Agreement which will be provided after an election to participate is received. This Operating Agreement will be limited to the Wolfcamp formation and cover Section 9 (All) and Section 16 (All), Township 25 South, Range 26 East, Eddy County, New Mexico.

If you do not wish to participate in the Operation, TRO would like to offer the following terms:

- 3 year primary term, Term Assignment
- Royalty equal to the difference between existing burdens and 20%



• \$1,000 per net acre bonus consideration

The Term Assignment offer is subject to the approval of TRO's board and verification of title.

Additionally, TRO is open to discuss possible trades or other deal structures related to your interest in the proposed Wells. If an agreement cannot be reached within 30 days of the date of this letter, TRO will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed Wells to allow TRO to move forward with planning and drilling the Wells.

Should you have any questions regarding the above, please contact the undersigned.

Sincerely,

TAP ROCK OPERATING, LLC

Matthew C. Phillips Senior Landman Office: 720-459-3724 mphillips@taprk.com

TAP ROCK OPERATING, LLC

523 Park Point Dr, Ste. 200, Golden, Colorado 80401 Authorization For Expenditure

Name:	Schlitz	Fed	Com	#202H
ACE #.	0			

County: Eddy State: NM Date: October 6, 2020 MD/TVD: 18770 / 8570 Lateral Length: 9750 Geologic Target: Wolfcamp A

Well Description: Drill, complete, and equip a horizontal Wolfcamp A well with a 9750 foot lateral. INTANGIBLE DRILLING COSTS INTANGIBLE COMPLETION COSTS INTANGIBLE PRODUCTION COSTS MOUNT COST CODES DESCRIPTION COST CODES 1 Land - Legal Land - Legal 3 1 Land - Legal 10,000 2 Land - Regulatory 2 Land - Regulatory 3 2 Land - Regulatory 3 Land - Surface Damages 20,000 2 3 Land - Surface Damages 3 Land - Surface Damages 4 Land - Survey 4 Land - Survey 3 4 Land - Survey 5 Location/Pit Construction 3 5 Location/Pit Constru 3 6 Remedial Dirtwork Location/Pit Construction 140,000 2 5 Location/Pit Construction Remedial Dirtwork 1 6 Remedial Dirtwork 7 Reserve/Frac Pit Closing 8 Drilling - Contractor 2 7 Reserve/Frac Pit Closing 3 7 Reserve/Frac Pit Closing 3 8 Drilling - Contractor 316.04 2 8 Drilling - Contractor 2 9 Mob/Rig Up - Contractor/Trucking 1 9 Mob/Rig Up - Contractor/Trucking 1 10 Cementing Services 3 9 Mob/Rig Up - Contractor/Trucking 3 10 Cementing Services 2 10 Cementing Services 2 11 Cementing Equipment 1 11 Cementing Equipment 1 12 Bits/Drill Out Assemblies 3 11 Cementing Equipment 3 12 Bits/Drill Out Assemblies 2 12 Bits/Drill Out Assemblie 38,71 1 13 Fluid Circulation Equipment/Services 13 Fluid Circulation Equipment/Services 54,88 3 13 Fluid Circulation Equipment/Services 1 14 Fluids/Chemicals 1 15 WBM Cuttings/Wastewater Disposal 3 14 Fluids/Chemicals
3 15 WBM Cuttings/Wastewater Disposal
3 16 OBM Cuttings/Chemical Disposal 321,750 2 14 Fluids/Chemicals 34,00 2 15 WBM Cuttings/Wastewater Disposal 2 16 OBM Cuttings/Chemical Disposal 1 16 OBM Cuttings/Chemical Disposal 1 17 Fuel/Power OBM Cuttings/Chemical Disposal 3 17 Fuel/Power 3 18 Water 88,825 17 Fuel/Power 282,100 1 18 Water 2 18 Water 474,30 19 Directional Drilling 134,03 2 19 Directional Drilling 20 Mud Logging 21 Open/Cased/Production Hole Logs 2 20 Mud Logging 2 21 Open/Cased/Production Hole Logs 8,44 22 Coring 22 Coring 3 22 Coring 23 Geologic Supervision 2 23 Geologic Supervision 3 23 Geologic Supervision 3 24 Engineering Supervision 24 Engineering Supervision 2 24 Engineering Supervision 2 25 Consultant Supervision Consultant Supervision Freight/Transportation 25 3 25 Consultant Supervision 3 26 Freight/Transportation 22,50 26 20,000 26 Freight/Transportation 1 27 Labor 2 27 Labor 2 28 Supplies - Surface 12,970 3 27 Labor 28 Supplies - Surface 2,50 Supplies - Surface 2 29 Supplies - Living Quarters 2 30 Rentals - Surface 1 29 Supplies - Living Quarters 2,00 3 29 Supplies - Living Quarters 1 30 Rentals - Surface 1 31 Rentals - Living Quarters 34,465 3 30 Rentals - Surface 3 31 Rentals - Living Quarters 18.840 2 31 Rentals - Living Quarters 2 32 Rentals - Downhole 20,430 14,080 1 32 Rentals - Downhole 1 33 Rentals - Pipe & Handling Tools 3 32 Rentals - Downhole 2 33 Rentals - Pipe & Handling Tools 2 34 Rentals - Frac Stack 3 33 Rentals - Pipe & Handling Tools 1 34 Rentals - Frac Stack 3 34 Rentals - Frac Stack 87,54 35 Rentals - Frac Tanks 3 35 Rentals - Frac Tanks 3 36 Coil Tubing Unit/Workover Rig 2 35 Rentals - Frac Tanks 1 36 Coil Tubing Unit/Workover Rig 36 Coil Tubing Unit/Workover Rig 89,47 83,40 Wireline/Slickline/Perforating 2 37 Wireline/Slickline/Perforating 3 37 Wireline/Slickline/Perforating 3 38 Temporary Packers/Plugs 1 38 Temporary Packers/Plugs 2 38 Temporary Packers/Plugs 2 39 High Pressure Pump Truck 1 39 High Pressure Pump Truck 1 40 Stimulation 3 39 High Pressure Pump Truck 3 40 Stimulation 52,470 2 2 2 40 Stimulation 1,799,818 1 41 Rentals - Pressure Control 41 Rentals - Pressure Control 3 41 Rentals - Pressure Control | 42 | Flowback Services | 1 | 43 | Water Transfer Services | 1 | 44 | Flowback Water Trucking & Dispos | 1 | 45 | Permanent Equipment Installation | 3 42 Flowback Services 3 43 Water Transfer Services 42 Flowback Services 46,715 52,500 43 Water Transfer Services 44 Flowback Water Trucking & Disposal 44 Flowback Water Trucking & Disposal 3 44 Flowback Water Trucking & Disposal 3 45 Permanent Equipment Installation 30,00 2 45 Permanent Equipment Installat 2 46 Pipeline Tapping Services 1 46 Pipeline Tapping Services 1 47 Plugging & Abandonment 3 46 Pipeline Tapping Services 3 47 Plugging & Abandonment 2 47 Plugging & Abandonment 1 53 Overhead 53 Overhead 15,825 3 53 Overhead 33,786 54 Insurance 1 55 Contingency 55 Contingency 3 55 Contingency 126,612 TOTAL INTANGIBLE DRILLING COSTS: \$1,882,794 TOTAL INTANGIBLE COMPLETION COSTS: \$3,558,750 TOTAL INTANGIBLE PRODUCTION COSTS: \$315,042 TANGIBLE DRILLING COSTS TANGIBLE COMPLETION COSTS TANGIBLE PRODUCTION COSTS DESCRIPTION COST CODES 4 60 Conductor Casing
4 61 Surface Casing
4 62 1st Intermediate Casing DESCRIPTION AMOUNT 5 60 Conductor Casing 5 61 Surface Casing 6 60 Conductor Casing 6 61 Surface Casing 6 62 1st Intermediate Casing 62 1st Intermediate Casing 63 2nd Intermediate Casing 62,525 4 63 2nd Intermediate Casing 4 64 Production Casing 6 63 2nd Intermediate Casing 6 64 Production Casing 6 65 Tubing 348,683 64 Production Casing 4 65 Tubing 65 Tubing 6 65 Wellhead
6 67 Permanent Packers/Hangers/Plugs
6 68 Tanks
6 69 Production Vessels 5 66 Wellhead 43,500 4 67 Permanent Packers/Hangers/Plugs 67 Permanent Packers/Hangers/Plugs 4 68 Tanks
4 69 Production Vessels
4 70 Compressors
4 71 Surface Flowlines 10,000 68 Tanks 5 69 Production Vessels 5 70 Compressors 107,00 6 70 Compressor 6 71 Surface Flow 5 71 Surface Flowlines 71 Surface Flowlines 50,00 4 72 Gathering Lines
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 Artificial Lift Equi

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 Electrical Ground

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 Other - Surface
 Gathering Lines 72 Gathering Lines
 73 Valves & Controllers 4 73 Valves & Controllers 4 74 Artificial Lift Equipment Artificial Lift Equipment 74 Artificial Lift Equipment 4 75 Instrumentation & Measurement 4 76 Electrical Grounding/Safety Equipment 75 Instrumentation & Measurement 75 Instrumentation & Measurement 76 Electrical Grounding/Safety Equipment 76 Electrical Grounding/Safety Equipment 4 77 Permanent Equipment Installation 77 Permanent Equipment Installation Permanent Equipment Installat 80 Other - Surface Other - Surface 4 81 Other - Downhole 81 Other - Downhole 6 81 Other - Downhole TOTAL TANGIBLE DRILLING COSTS: \$678,456 TOTAL TANGIBLE COMPLETION COSTS: TOTAL TANGIBLE PRODUCTION COSTS: \$285,500 TOTAL DRILLING COSTS: \$2,561,250 TOTAL COMPLETION COSTS: TOTAL PRODUCTION COSTS: \$600.542 TOTAL WELL COST: \$6,720,542 TAP ROCK RESOURCES COMPANY APPROVAL: NON OPERATING PARTNER APPROVAL: VP - EXPLORATION COMPANY NAME: SIGNED BY: VP - OPERATIONS WORKING INTEREST (%): DATE: _ SENIOR GEOLOGIST TAX ID: __ APPROVAL:

AFE is an estimate only. By signing this AFE, you agree to pay your proportionate share of the actual costs.

TAP ROCK OPERATING, LLC

523 Park Point Dr, Ste. 200, Golden, Colorado 80401 Authorization For Expenditure

Name:	Schlitz	Fed	Com	#211H
AFF #.	n			

County: Eddy State: NM Date: October 6, 2020 MD/TVD: 18945 / 8745 Lateral Length: 9750 Geologic Target: Wolfcamp A

Well Description: Drill, complete, and equip a horizontal Wolfcamp A well with a 9750 foot lateral. INTANGIBLE DRILLING COSTS INTANGIBLE COMPLETION COSTS INTANGIBLE PRODUCTION COSTS DESCRIPTION AMOUNT COST CODES COST CODES 1 Land - Legal 2 1 Land - Legal Land - Legal 2 Land - Regulatory 3 Land - Surface Damages 2 Land - Regulatory Land - Regulatory Land - Surface Damages 3 3 Land - Surface Damages 4 Land - Survey 5 Location/Pit Construction 10,000 2 4 Land - Survey Land - Survey 2 5 Location/Pit Construction 2 6 Remedial Dirtwork 140.000 3 5 Location/Pit Construction Remedial Dirtwork 6 Remedial Dirtwork
7 Reserve/Frac Pit Closing Reserve/Frac Pit Closing 2 7 Reserve/Frac Pit Closing 2 8 Drilling - Contractor 1 8 Drilling - Contractor 312,041 Drilling - Contractor

Mob/Rig Up - Contractor/Trucking Mob/Rig Up - Contractor/Trucking 123,250 2 9 Mob/Rig Up - Contractor/Trucking 1 10 Cementing Services 10 Cementing Services 3 10 Cementing Services 3 11 Cementing Equipment 1 11 Cementing Equipment 1 12 Bits/Drill Out Assemblies
 2
 11
 Cementing Equipment

 2
 12
 Bits/Drill Out Assemblies

 2
 13
 Fluid Circulation Equipment/Services
 38,714 3 12 Bits/Drill Out Assemblies 1 13 Fluid Circulation Equipment/Services 54,206 3 13 Fluid Circulation Equipment/Services 3 14 Fluids/Chemicals Fluids/Chemicals 2 14 Fluids/Chemicals 2 15 WBM Cuttings/Wastewater Disposal 321,75 15 WBM Cuttings/Wastewater Disposa 263,250 3 15 WBM Cuttings/Wastewater Disposal 3 16 OBM Cuttings/Chemical Disposal 3 17 Fuel/Power
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 16
 OBM Cuttings/Chemical Disposal

 1
 17
 Fuel/Power
 97,500 2 16 OBM Cuttings/Chemical Disposal 17 Fuel/Power 282,10 1 18 Water 1 19 Directional Drilling 2 18 Water Water 3 18 19 Directional Drilling 20 Mud Logging 132.363 3 19 Directional Drilling
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 20
 Mud Logging

 1
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4 70 Compressors
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6 75 Instrumentation & Measurement
6 76 Electrical Grounding/Safety Equipment
6 77 Permanent Equipment Installation 15,00 4 75 Instrumentation & Measurement 4 76 Electrical Grounding/Safety Equipment Instrumentation & Measurement 75 Electrical Grounding/Safety Equipment 77 Permanent Equipment Installation 80 Other - Surface 5 77 Permanent Equipment Installation Other - Surface 6 80 Other - Surface 4 81 Other - Downhole 81 Other - Downhole 6 81 Other - Downhole TOTAL TANGIBLE DRILLING COSTS: \$687,325 TOTAL TANGIBLE COMPLETION COSTS: TOTAL TANGIBLE PRODUCTION COSTS: TOTAL DRILLING COSTS: \$2,561,250 TOTAL COMPLETION COSTS: \$3,558,750 TOTAL PRODUCTION COSTS: TOTAL WELL COST: \$6,720,542 TAP ROCK RESOURCES COMPANY APPROVAL: NON OPERATING PARTNER APPROVAL: VP - EXPLORATION COMPANY NAME: TITLE: VP - OPERATIONS WORKING INTEREST (%): _ DATE: VP - LAND & LEGAL __ SENIOR GEOLOGIST

TAX ID:

AFE is an estimate only. By signing this AFE, you agree to pay your proportionate share of the actual costs.

Summary of Communication

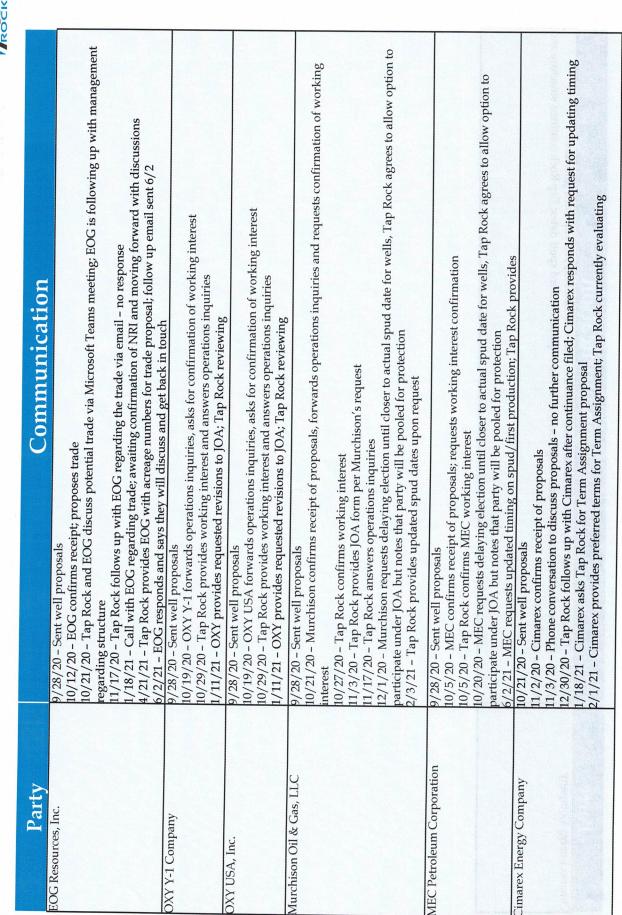


Exhibit 6 Case No. 21611

Schlitz Fed Com #202H & #211H

STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF TAP ROCK OPERATING, LLC
FOR A STANDARD HORIZONTAL SPACING
AND PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO
Case No. 21611

AFFIDAVIT OF MATTHEW JONES

I, being duly sworn on oath, state the following:

- 1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
- 2. I am employed as a petroleum geologist for Tap Rock Operating, LLC ("Tap Rock"), and I am familiar with the subject applications and the geology involved.
- 3. This affidavit is submitted in connection with the filing by Tap Rock of the above-referenced compulsory pooling applications pursuant to 19.15.4.12.A(1) NMAC.
- 4. I have not previously testified before the New Mexico Oil Conservation Division. I hold a bachelor's degree in Chemistry and a master's degree in Geology from New Mexico State University. Since 2009 I have been employed as a petroleum geologist for several large independent and small private oil and gas companies. Much of my professional work since 2015 has focused on the Delaware Basin of New Mexico and Texas.
- 5. **Exhibit 7** is a Project Locator Map depicting the location of the Horizontal Spacing Unit ("HSU") within the Delaware Basin. Within Section 9 and 16 of 25S 26E, are the Schlitz Fed Com #202H and #211H wells (the "Wells").
- 6. **Exhibit 8** is a Gun Barrel Diagram showing the planned Wolfcamp horizontal spacing for the Wells. This diagram shows the projected development of the two Wolfcamp Wells.

EXHIBIT **C**

A nearby type log has been included (for log descriptions, see Exhibit 10 below) to show approximate depths and reservoir quality of the selected landing zones.

- 7. **Exhibit 9** is a Wolfcamp A Structure Map in subsea vertical depth. This map shows the location of the Schlitz Fed Com W/2 HSU outlined by the red box. The surface/bottom hole locations of the Well are shown, zoomed in, to the right. The contour intervals are 25 feet each. There is a monoclinal dip down to the southeast. The orientation of the Wells will each be approximately along strike. There are no other wells producing from this unit or this specifical Wolfcamp interval. The vertical wells controlling the structure map have the sub-sea vertical depth posted in red. The subsequent cross-section from A-A' (**Exhibit 10**) is also identified to locate our closest control on the reservoir properties for the Wells. I do not observe any faulting, pinch-outs, or other geologic impediments or hazards to developing this targeted interval with a horizontal well.
- 8. **Exhibit 10** is a Wolfcamp Stratigraphic Cross Section flattened on the uppermost Wolfcamp surface. For each well, track 1 has a gamma ray log with interpreted color fill for lithology and scaled from 0 to 150 api units. For gamma ray, the blue colors indicate carbonate, yellow to orange are sandstone/siltstones, and the darker browns are shale facies. Track 2 has the deep resistivity log, scaled from 2 ohmm to 2000 ohmm. The red shading cutoff is at 10 ohmm or less to help identify the more siliciclastic rocks. Track 3 is the porosity track and contains the red neutron porosity curve and the blue density porosity curve, both scaled from 25% to 0%. The gray shading is separation of neutron and density porosity curves and typically interpreted as increasing clay content with increasing separation. The purple shading on the density porosity curve highlights anything greater than 8% porosity. This cutoff indicates the best rock properties for reservoir evaluation. The cross-section identifies the key tops used to evaluate reservoirs and

landing targets for the Well. Peach circles on the depth track of Well 3 show the landing target intervals for the Well.

- 9. **Exhibit 11** is an Isopach Map of the Gross Wolfcamp interval. This map shows the location of the Schlitz Fed Com W/2 HSU outlined by the red box. The surface/bottom hole locations of the Wells are shown, zoomed in, to the right. The anticipated gross thickness of the interval is 2,100'-2,165' throughout the HSU. The contour intervals are 25'. There are no horizontal wells that have targeted this Wolfcamp interval in the direct vicinity, and all the horizontals shown on the map are landed in different intervals of the Wolfcamp formation. The location of the previous cross-section from A-A' is also shown on this map.
 - 10. Based on my geologic study of the area, I conclude the following:
 - a. The horizontal spacing and proration unit is justified from a geologic standpoint.
 - b. There are no structural impediments or faulting that will interfere with horizontal development.
 - c. Each quarter section in the HSU will contribute more or less equally to production.
 - d. The preferred well orientation in this area is south-north. This is because the inferred orientation of the maximum horizontal stress is roughly northwestsoutheast.
- 11. **Exhibit 12** shows a Simplified Wellbore Diagram for each of the Wells in the HSU and demonstrate that the first and last take points for each well will be standard.
- 12. The Exhibits to this Affidavit were prepared by me, or compiled from Tap Rock's company business records.

- 13. The granting of this Application is in the interests of conservation and the prevention of waste.
 - 14. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT

MATTHEW JONES

STATE OF COLORADO

)ss

COUNTY OF JEFFERSON)

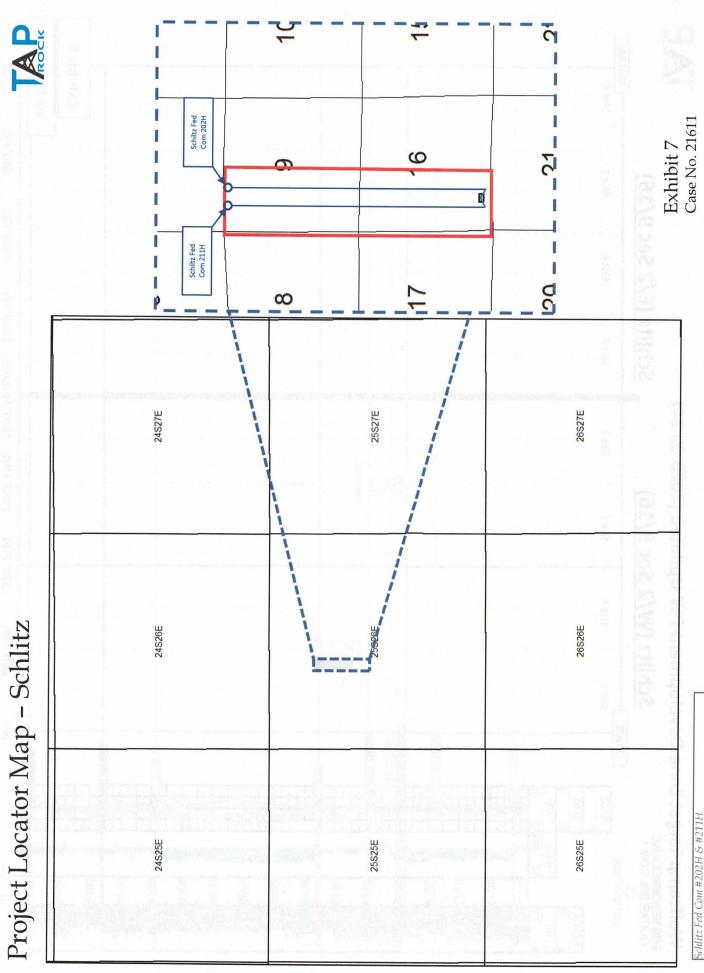
Subscribed to and sworn before me this 15 day of June, 2021.

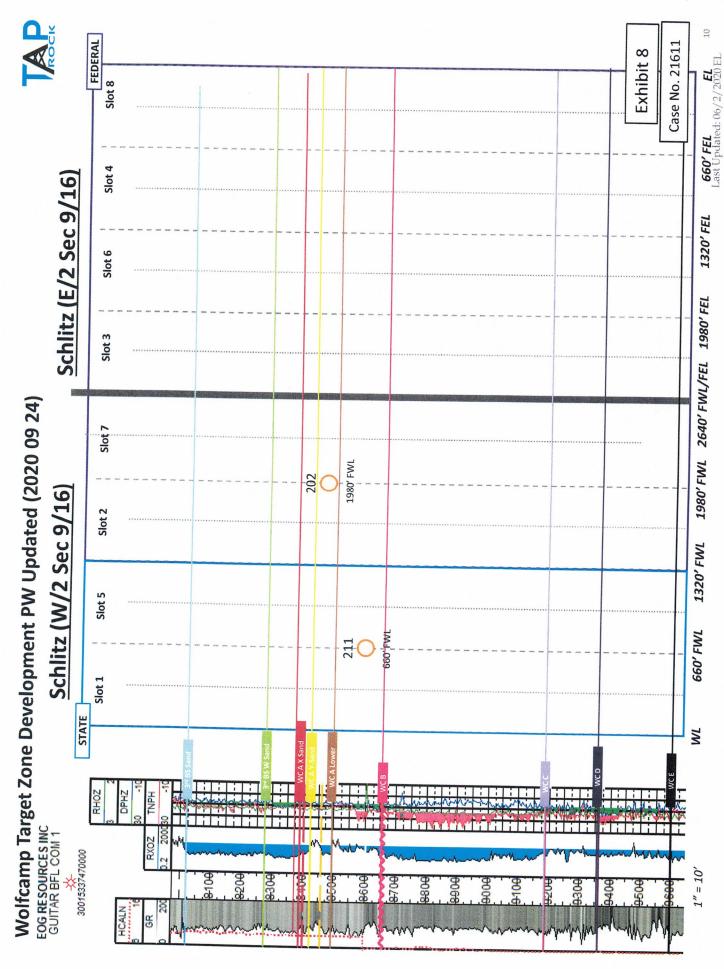
RACHELLE REESE NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20124064461

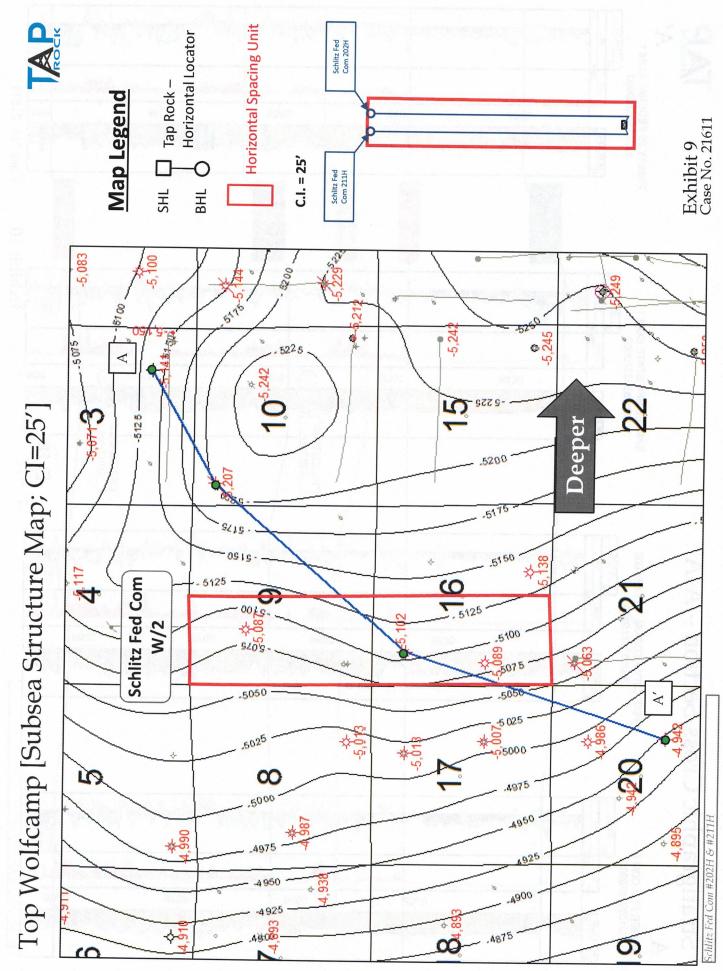
MY COMMISSION EXPIRES SEPTEMBER 28, 2024

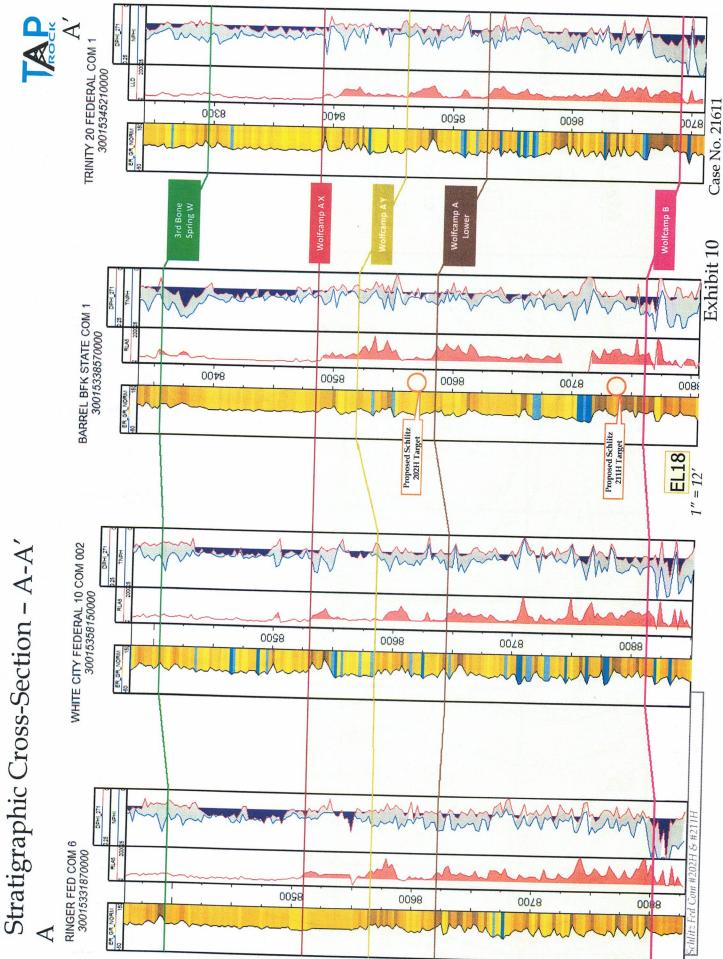
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9/28/2024



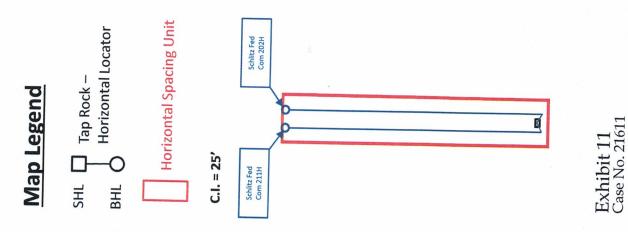


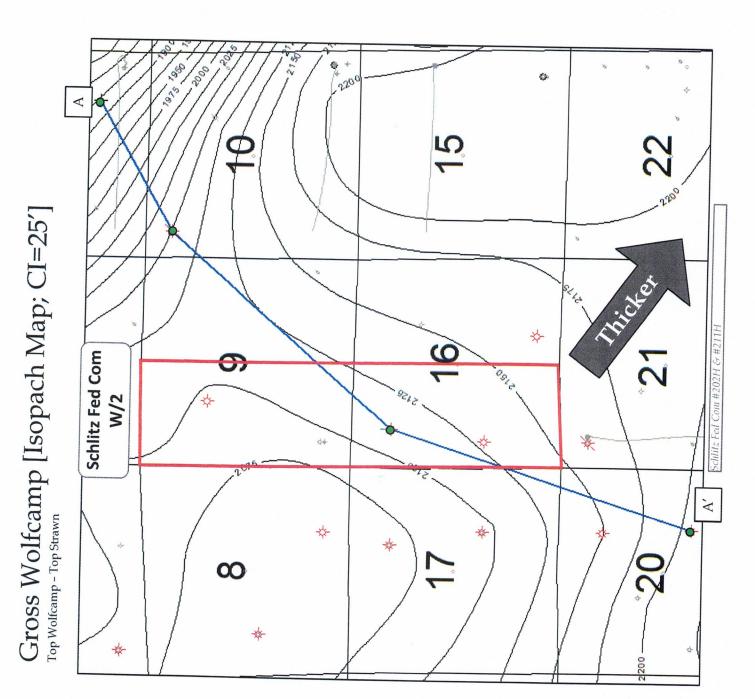












Schlitz Fed Com 202H (2 mile S-N Lateral)



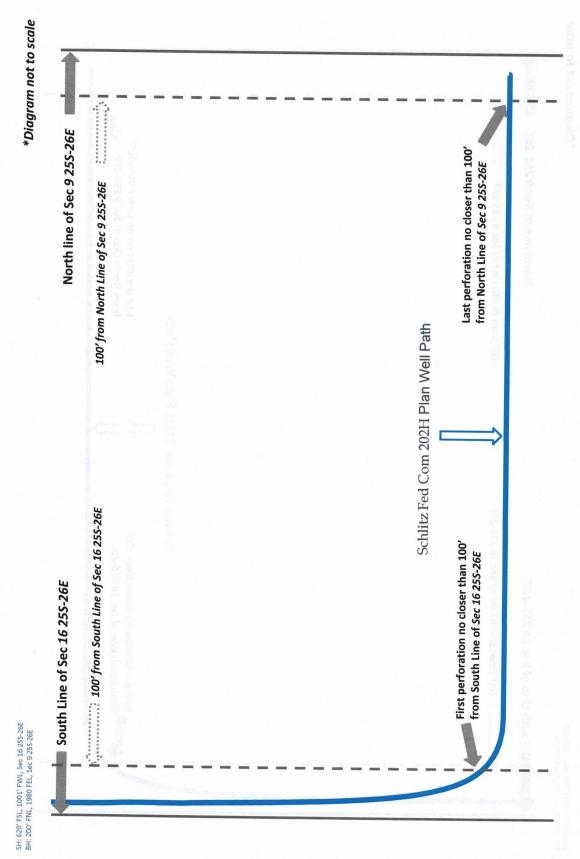


Exhibit 12A

Case No. 21611

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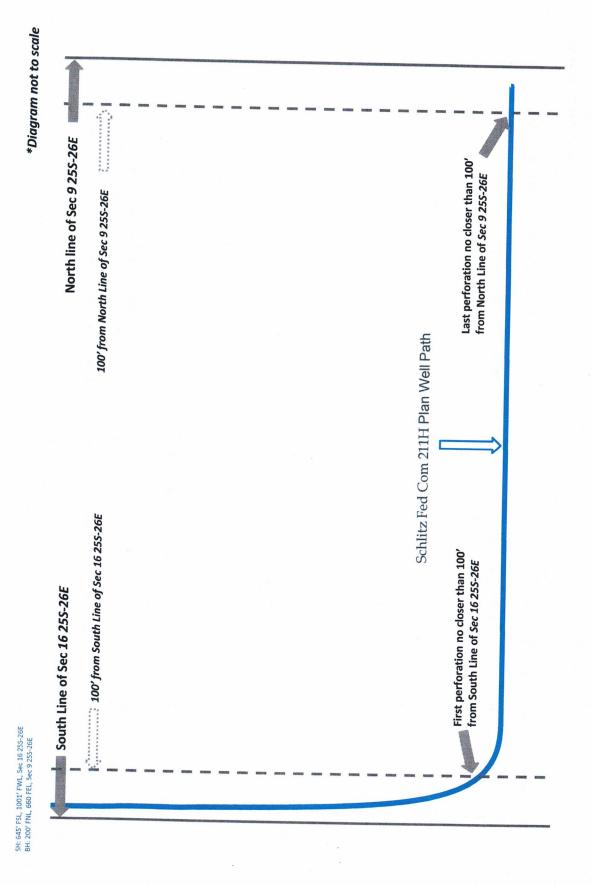
Case No. 21611

Schlitz Fed Com #202H & #211H

Exhibit 12B



Schlitz Fed Com 211H (2 mile S-N Lateral)



Released to Imaging: 7/14/2021 9:29:29 AM

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATIONS OF TAP ROCK RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case Nos. 21611 and 21612

<u>SELF-AFFIRMED</u>	STATEMENT	OF	NOTICI	C

SELF-AFFIRMED STATEMENT OF NOTICE
COUNTY OF SANTA FE)
STATE OF NEW MEXICO)
James Bruce deposes and states:
1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Tap Rock Resources, LLC.
3. Tap Rock Resources, LLC has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the applications filed herein.
4. Notice of the applications was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letters and certified return receipts are attached hereto as Attachment A.
5. Tap Rock Resources, LLC has complied with the notice provisions of Division Rules.
6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.
Date: 7/(3/21 James Bruce
EXHIBIT D

JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone) (505) 660-6612 (Cell) (505) 982-2151 (Fax)

jamesbruc@aol.com

December 17, 2020



CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of the following applications for compulsory pooling, filed with the New Mexico Oil Conservation Division by Tap Rock Resources, LLC:

- 1. Case No. 21611, regarding two Wolfcamp wells in the W/2 of Section 9 and the W/2 of Section 16;
- 2. Case No. 21612, regarding two Wolfcamp wells in the E/2 of Section 9 and the E/2 of Section 16;
- 3. Case No. 21613, regarding two Wolfcamp wells in the W/2 of Section 8 and the W/2 of Section 17; and
- 4. Case No. 21614, regarding two Wolfcamp wells in the E/2 of Section 8 and the E/2 of Section 17,

All in Township 25 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, January 7, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to emnrd.state.nm.us/OCD/hearings or see the instructions posted on the Division's website, http://emnrd.state.nm.us/OCD/announcements.html.

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Released to Imaging: 7/14/2021 9:29:29 AM

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Very truly yours,

ames Bruce

Attorney for Tap Rock Resources, LLC

EXHIBIT A

OXY USA Inc. OXY Y-1 Company 5 Greenway Plaza, Ste. 110 Houston, TX 77046

EOG Resources, Inc. 5509 Champions Dr. Midland, TX 79706

Murchison Oil & Gas, Inc. Legacy Tower One 7250 Dallas Parkway, Ste. 1400 Plano, TX 75024

MEC Petroleum Corp. 414 W. Texas Ave. Midland, TX 79701

McCombs Energy, LLC 5599 San Felipe, Ste. 1200 Houston, TX 77056 OXY Y-1 Company 5 Greenway Plaza, Ste. 110 Houston, TX 77046

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PS Form 3800, April 2015 PSN 7530-02

OXY USA Inc.

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City, State, ZIP+4® PS Form 3800, Ap

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Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name) C. Date of Delivery
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PS Form 3811, July 2015 PSN 7530-02-000-9053	TR S/66 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY	A. Signature () () () () () () () Addressee B. Received by (Printed Name) (C. Date of Delivery (C. Marcel Collinery address different from item 1? (C. Yes if YEs, enter delivery address below: (C. No	3. Service Type Adult Signature Adult Signature Adult Signature Adult Signature Begistered Mail Restricted Delivery Certified Mail Restricted Delivery Collect on D
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City, State, ZIP+4®	



JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone) (505) 660-6612 (Cell) (505) 982-2151 (Fax)

jamesbruc@aol.com

December 17, 2020

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of the following applications for compulsory pooling, filed with the New Mexico Oil Conservation Division by Tap Rock Resources, LLC:

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- 2. Case No. 21612, regarding two Wolfcamp wells in the E/2 of Section 9 and the E/2 of Section 16,

All in Township 25 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, January 7, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to emnrd.state.nm.us/OCD/hearings or see the instructions posted on the Division's website, http://emnrd.state.nm.us/OCD/announcements.html.

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identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

James Bruce

Attorney for Tap Rock Resources, LLC

EXHIBIT A

Cimarex Energy Co. Suite 600 600 North Marienfeld Midland, Texas 79701

Domestic Mail Only For delivery information, visit our website at w Certified Mail Fee	/ww.usps.com®.
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 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to: Cimarex Energy Co. Suite 600 600 North Marienfeld Midland, Texas 79701 	A. Signature X
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JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone) (505) 660-6612 (Cell) (505) 982-2151 (Fax)

jamesbruc@aol.com

January 11, 2021

<u>CERTIFIED MAIL – RETURN RECEIPT REQUESTED</u>

To: Persons on Exhibit A

Ladies and gentlemen:

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- 2. Case No. 21612, regarding two Wolfcamp wells in the E/2 of Section 9 and the E/2 of Section 16;
- 3. Case No. 21613, regarding two Wolfcamp wells in the W/2 of Section 8 and the W/2 of Section 17;
- 4. Case No. 21614, regarding two Wolfcamp wells in the E/2 of Section 8 and the E/2 of Section 17,
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Very truly yours,

James Bruce

Attorney for Tap Rock Resources, LLC

EXHIBIT A

McCombs Energy, LLC Suite 403 750 East Mulberry Avenue San Antonio, Texas 78212

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 Complete items 1, ∠, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to: McCombs Energy, LLC	A. Signature X Sarah O'Shaughnessy B. Received by (Printed Name) Sarah O'Shaughnessy D. Is delivery address different fro If YES, enter delivery address	☐ Agent ☐ Addresse ☐ C. Date of Deliver ☐ 2 5 2 1 m item 1? ☐ Yes below: ☐ No
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Carlsbad Current Argus.

Affidavit of Publication Ad # 0004525794 This is not an invoice

JAMES BRUCE ATTORNEY AT LAW **POBOX 1056**

SANTA FE. NM 87504

I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

12/25/2020

Legal Clerk

Subscribed and sworn before me this December 25, 2020:

> State of WI, County of Brown NOTARY PUBLIC

My commission expires

NOTICE

To: OXY USA Inc., OXY Y-1 Company, EOG Resources, Inc., Murchison Oil & Gas, Inc., MEC Petroleum Corp., Cimarex Energy Co., and McCombs Energy, LLC, or your successors or assigns: Tap Rock Resources, LLC has filed four applications with the New Mexico Oil Conservation Division seeking the pooling of the Wolfcamp formation in the following well

- 1. Case No. 21611, regarding two Wolfcamp wells in the W/2 of Section 9 and the W/2 of Section 16;
- 2. Case No. 21612, regarding two Wolfcamp wells in the E/2 of Section 9 and the E/2 of Section 16;
- 3. Case No. 21613, regarding two Wolfcamp wells in the W/2 of Section 8 and the W/2 of Section 17; and
- 4. Case No. 21614, regarding two Wolfcamp wells in the E/2 of Section 8 and the E/2 of Section 17,

All in Township 25 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, January 7, 2021. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to emnrd.state.nm.us/OCD/hearings or see the instructions posted on the Division's website, http://emnrd.state.nm.us/OCD/announcements.html. You are not required to attend this hearing, but as an owner of an interest with to attend this hearing, but as an owner of an interest who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, December 31, 2020. This statement must be filed with the Division's Santa Fe office at ocd.hearings@state.nm.us. It should include: The names of the party and its attorney; a concise statement of the case; the name(s) of the witnesses(es) the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the party. be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, jamesbruc@aol.com.

#4525794, Current Argus, December 25, 2020

VICKY FELTY Notary Public State of Wisconsin **EXHIBIT**



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COIVIPULSORY POOLING APPLICATION CHECKLIST

Case:		21611
Date		July 15, 2021
Applicant	Tap Rock Resources, LLC	
Designated Operator & OGRID	Tap Rock Operating, LLC/OGRID No. 372043	
(affiliation if applicable)		rating entity for applicant
Applicant's Counsel:	James Bruce	
Case Title:	Application of Tap Rock Resources, LLC for Compulsory Pooling, Eddy County, New Mexico	
Entries of Appearance/Intervenors:		
Well Family	Schlitz Wells	
Formation/Pool		
Formation Name(s) or Vertical Extent:	Wolfcamp formation	
Primary Product (Oil or Gas):	Gas	
Pooling this vertical extent:	Wolfcamp formation	
Pool Name and Pool Code:	Wolfcamp; Purple Sage	(Pool Code 98220)
Well Location Setback Rules:		
Spacing Unit Size:	Purple Sage Special Rules and current horizontal well rules Half section/320 acres	
Spacing Unit	Truit section, 526 deres	
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	640 acres	
Building Blocks:	320 acres	
Orientation:	South-North	
Description: TRS/County	W/2 §9 and W/2 §16-25	S-26F, NMPM
Standard Horizontal Well Spacing Unit	Yes	202) 111111 111
(Y/N), If No, describe		
Other Situations		
Depth Severance: Y/N. If yes, description	No	
Proximity Tracts: If yes, description	No	EXHIBIT _
Proximity Defining Well: if yes,		
description		
Applicant's Ownership in Each Tract	Exhibits B-3 and B-4	
Well(s)	EXHIBITS D-3 and D-4	
Name & API (if assigned), surface and	Schlitz Fed. Com. Well No	2024
bottom hole location, footages,	API No. 30-015-Pending	5. 20211
completion target, orientation,	API No. 30-015-Pending SHL: 620 FSL & 1001 FWL §16	
completion status (standard or non-	SHL: 620 FSL & 1001 FWL §16 BHL: 200 FNL & 1980 FWL §9	
standard)	FTP: 330 FSL & 1980 FWL	
	LTP: 330 FNL & 1980 FWI	
		/D 8570 feet/MD 18770 feet
	,,,,,	

Released to Imaging: 7/14/2021 9:29:29 AM

Received by OCD: 7/14/2021 5:57:00 AM	Schlitz Fed. Com. Well No. 211H API No. 30-015-47671 SHL: 645 FSL & 1001 FWL §16 BHL: 200 FNL & 660 FWL §9 FTP: 330 FSL & 660 FWL §16 LTP: 330 FNL & 660 FWL §9 Formation: Wolfcamp/TVD 8745 feet/MD 18945 feet
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See Above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7000
Production Supervision/Month \$	\$700
Justification for Supervision Costs	Exhibit B, page 3
Requested Risk Charge	Cost + 200%/Exhibit A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20	
days before hearing)	Exhibit D
Proof of Published Notice of Hearing (10	
days before hearing)	
Ownership Determination	
Land Ownership Schematic of the	
Spacing Unit	Exhibit B-2
Tract List (including lease numbers and	
owners)	Exhibits B-3 and B-4
Pooled Parties (including ownership	
type)	Exhibit B-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including	
percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit B-5
List of Interest Owners (i.e. Exhibit A of	
JOA)	Exhibit B- 4
Chronology of Cantact and the control of the contro	
Chronology of Contact with Non-Joined	
Overhead Pates in Proposal Letter	Exhibit B
Overhead Rates In Proposal Letter	
Cost Estimate to Drill and Complete	Exhibit B-5
Cost Estimate to Equip Well Cost Estimate for Production Facilities	Exhibit B-5
Geology	Exhibit B-5
Summary (including special	
considerations)	Establish C
Spacing Unit Schematic	Exhibit C
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-7
Well Orientation (with rationale)	Exhibit C-8
Released to Imaging: 7/14/2021 9:29:29 AM	Standup/Exhibit C

TBegeiverblyngfiðin 7/14/2021 5:57:00 AM	Wolfcamp Page 51 of 3
HSU Cross Section	Exhibit C-8
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
C-102	Exhibit B-1
Tracts	Exhibit B-2
Summary of Interests, Unit	
Recapitulation (Tracts)	Exhibits B-3 and B-4
General Location Map (including basin)	Exhibit C-7
Well Bore Location Map	Exhibit C-8
Structure Contour Map - Subsea Depth	Exhibit C-9
Cross Section Location Map (including	
wells)	Exhibit C-10
Cross Section (including Landing Zone)	Exhibit C-10
Additional Information	
CERTIFICATION: I hereby certify that the	
information provided in this checklist is	
complete and accurate.	
Printed Name (Attorney or Party	
Representative):	James Bruce
Signed Name (Attorney or Party	Maria R.
Representative):	Janes Brug
Date:	July 13, 2021